

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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## MEMORANDUM

TO: Maynard Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: June 26, 2015

This Commission is hereby furnishing you with approval of the funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

This schedule reflects a reduction in the investment return assumption from 7.75% to 7.5% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Alternative 1  
7.50% Investment Return  
6.0% total increasing through FY30

**Maynard Retirement System  
January 1, 2015 Actuarial Valuation**

Total increasing 6.0% through FY30

| <u>Fiscal<br/>Year</u> | <u>Normal<br/>Cost</u> | <u>Net<br/>3(8)(c)</u> | <u>Amort. of<br/>UAL</u> | <u>Total<br/>Cost</u> | <u>Unfunded<br/>Act. Liab.</u> | <u>% Increase<br/>Total Cost</u> |
|------------------------|------------------------|------------------------|--------------------------|-----------------------|--------------------------------|----------------------------------|
| 2016                   | 886,657                | 60,000                 | 1,008,043                | 1,954,700             | 16,023,368                     |                                  |
| 2017                   | 926,556                | 60,000                 | 1,085,444                | 2,072,000             | 16,141,474                     | 6.0%                             |
| 2018                   | 968,251                | 60,000                 | 1,168,049                | 2,196,300             | 16,185,232                     | 6.0%                             |
| 2019                   | 1,011,822              | 60,000                 | 1,256,278                | 2,328,100             | 16,143,472                     | 6.0%                             |
| 2020                   | 1,057,354              | 60,000                 | 1,350,446                | 2,467,800             | 16,003,734                     | 6.0%                             |
| 2021                   | 1,104,935              | 60,000                 | 1,450,965                | 2,615,900             | 15,752,285                     | 6.0%                             |
| 2022                   | 1,154,658              | 60,000                 | 1,558,242                | 2,772,900             | 15,373,920                     | 6.0%                             |
| 2023                   | 1,206,617              | 60,000                 | 1,672,683                | 2,939,300             | 14,851,853                     | 6.0%                             |
| 2024                   | 1,260,915              | 60,000                 | 1,794,785                | 3,115,700             | 14,167,608                     | 6.0%                             |
| 2025                   | 1,317,656              | 60,000                 | 1,924,944                | 3,302,600             | 13,300,784                     | 6.0%                             |
| 2026                   | 1,376,951              | 60,000                 | 2,063,849                | 3,500,800             | 12,229,028                     | 6.0%                             |
| 2027                   | 1,438,913              | 60,000                 | 2,211,887                | 3,710,800             | 10,927,567                     | 6.0%                             |
| 2028                   | 1,503,664              | 60,000                 | 2,369,736                | 3,933,400             | 9,369,357                      | 6.0%                             |
| 2029                   | 1,571,329              | 60,000                 | 2,538,071                | 4,169,400             | 7,524,593                      | 6.0%                             |
| 2030                   | 1,642,039              | 60,000                 | 2,717,561                | 4,419,600             | 5,360,511                      | 6.0%                             |
| 2031                   | 1,715,931              | 60,000                 | 2,841,172                | 4,617,102             | 2,841,172                      | 4.5%                             |
| 2032                   | 1,793,148              | 60,000                 |                          | 1,853,148             | 0                              | -59.9%                           |

Appropriation payments assumed to be made July 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$230,000

FY16 amount maintained at level of current funding schedule

Total cost increases 6.0% per year through FY30 with final amortization payment in FY31